e-NewsLetter

The Institute of Chartered Accountants of India
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VOL. II | MARCH 2011

BARODA BRANCH OF WESTERN INDIAN CHARTERED ACCOUNTANTS STUDENTS' ASSOCIATION (WICASA) OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

Taking Learning to a New Dimension........

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi - 110002.
Tel. : +91 (11) 39893989 • E-mail : president@icai.in • Website : www.icai.in

WESTERN INDIAN CHARTERED ACCOUNTANTS STUDENTS' ASSOCIATION
ICAI Bhawan, 27, Cuffe Parade, Post Box No. 6081, Colaba, Mumbai - 400 005.
Tel. : +91 (22) 39893989 • Email : wirc@icai.in • Website : www.wirc-icai.org

BARODA BRANCH OF WICASA
"ICAI Bhawan", Kalali-Tandalja Road, Atladra, Vadodara - 390 012.
Telefax : +91 (265) 2681115, 2680593 • E-mail: wicasa.baroda@gmail.com •
Web : www.baroda-icai.org

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Students are requested to kindly send article / paper of interest to wicasa.baroda@gmail.com. The same may be published in the newsletter subject to availability of space & editing.

WICASA facebook COMMUNITY :

Be a part of the "WICASA Baroda" on FACEBOOK Community. Exchange views and news. Keep updated about ICAI Announcement and forthcoming events of WICASA.

STUDENTS' STUDY CIRCLE :

Join now .... where in students can exchange knowledge with the help of group discussion. Contact Mr. Amit Muley (M) 9974621161, Mr. Manish Gandhi (M) 9824385565, Mr. Ashish Agrawal (M) 9173416488

WICASA HELPLINE :

Students are invited to send their feedback suggestions or grievances to wicasa.baroda@gmail.com or contact Ms. Sheekha Kotak 9825312097

Chairman's Communication

The year is pacing ahead and the course of events has changed. The results of November- 2010 examination have been declared. I would like to congratulate all those students who have qualified their respective examination with flying colors' and hope that they will keep up their hard work. But for those who have been unable to translate their efforts into success, I advise them to take up their studies more sincerely and regularly.

Our WICASA is determined to offer the best possible training to strengthen your basic fundamentals. To serve this purpose we are organizing series of Revisionary Classes of selected topics for IPCC/PCC/PE-II students from 7th March to 19th March and on similar lines for CA Final students also. In order to help the students, especially those living in the east part of city area, we have collaborated with the Central Library, Mandvi for reading room facility.

Beside this, we have a study circle meeting on Overview of Union Budget-2011. A Mega Career Counseling Program will be held in April 2011.

In just two months we have 500+ members of WICASA Community, thank you for your overwhelming support & response to FB WICASA Baroda.

Lastly I hope that our students will try to get the maximum advantage from the activities conducted for their benefit.

Best of Luck

CA Pradeep Agrawal

READING ROOM FACILITY

Baroda Branch of WICASA is proud to inform one and all about the initiation of the reading room facility at the Central Library at Mandvi, Baroda. We thank the officials of the Central Library and the members of ICAI who were involved in making this wish for the students' comfort a reality.

The students are requested to take advantage of this facility, especially during the rush hours in the months prior to the exams.

CAMPUS PLACEMENT - FEB 2011

As a result of the untiring efforts of Team-Baroda in past, the Baroda branch of WIRC had hosted a Campus Placement Program after a block of four years for the benefit of the newly qualified CAs on the 23rd and 24th of February, 2011. Various organisations like L&T, GNFC, KRIBHCO, Syndicate Bank, PWC & KCM, were part of this program. Many students took the benefit of this opportunity after being given the run through of the interviews and an orientation to help them conduct themselves to the best of their ability in the interviews.

FORTHCOMING EVENTS

QUIZ COMPETITION

Date & Day : 01.03.2011, Tuesday
Time : 18.00 to 20.30 hrs.
Subject : Pop The Question on Current Affairs
Venue : Conference Hall, ICAI Bhawan

HALF DAY SEMINAR

Date & Day : 02.03.2011, Wednesday
Time : 17.00 to 19.00 hrs.

Subject :	**Faculty**
Analysis of Union Budget-2011	
Direct Taxes	CA. Surabh Soparkar, Ahmedabad
Indirect Taxes	CA. Anirudh Sonpal, Baroda

Venue : Auditorium, ICAI Bhawan
Fees : ₹ 225

STUDY CIRCLE MEETING

Date & Day : 03.03.2011, Thursday
Time : 18.30 to 20.30 hrs.
Subject : Overview of Union Budget-2011
Faculty : Mr. Rameshwar Sharma, CA Final Student
Venue : Conference Hall, ICAI Bhawan

REVISIONARY SESSIONS

Dates : 07.03.2011 to 19.03.2011
Subject : Revisionary Sessions for CA IPCC/PCC/PE-II- May-11
Faculty : Various Faculties
Venue : Auditorium, ICAI Bhawan
Fees : ₹ 20 per hour or ₹ 500 for 41 hours.

REVISIONARY SESSIONS

Dates : 11.03.2011 to 22.03.201
Subject : Revisionary Sessions for CA Final-May-11
Faculty : Various Faculties
Venue : JRS Patel Class Room, ICAI Bhawan
Fees : ₹ 20 per hour or ₹ 200 for 20 hours.

FULL DAY SEMINAR ON STATUTORY BANK BRANCH AUDIT

Date & Day : 19.03.2011,Saturday
Time : 09:00 a.m. to 05.30 p.m.
Venue : Auditorium, ICAI Bhawan
Fees : ₹ 400 for CA Students

FELICITATION

Dates : 19.03.2011, Saturday
Time : 09.00 to 11.00 hrs.
Subject : Felicitation of Newly Qualified Chartered Accountants, All India Rankers of IPCC Students
Venue : Auditorium, ICAI Bhawan

CULTURAL ACTIVITY

Dates : 20.03.2011, Sunday
Time : 09.00 to 11.00 hrs.
Subject : Holi Milan
Venue : ICAI Bhawan

MAJOR ICAI ANNOUNCEMENTS IN FEB' 2011

1. The candidates who have not passed 10+2 but have completed 2 years of higher education, conducted by the State governments or other authority and later on based on the passing of such course have been admitted to the First year of some graduation course conducted by any University including Open Universities will be eligible to give the CPT exam.
2. The exam timings for the PCE/IPCE/Final/IRME exams from the 2nd to 16th of May 2011 have been changed from 9.00 am-12.00 pm to 2.00 to 5.00 pm
3. On a review of the Final Course syllabus, the Council has decided to exclude the following topics from the Final Examination to be held in May, 2011:-

   Paper 1 : Financial Reporting

   - Inflation Accounting

   Paper 5 : Advanced Management Accounting

   - Time Series Analysis; and
   - Test of Hypothesis.
4. The Board of Studies has been bringing out publications in the area of direct and indirect tax laws to help the students update their knowledge regarding statutory developments and judicial rulings on a continuous basis. "Select Cases in Direct and Indirect Tax Laws - An essential reading for Final Course" is one such publication which helps in understanding the process of judicial decisions.

   The 2011 edition of this academic update contains a summary of significant judicial decisions which will enable you to appreciate the significant issues involved in interpreting and applying the provisions of direct and indirect tax laws to practical situations. It will also help you to develop knowledge and expertise in legal interpretation.

   Students desirous of downloading this publication are advised to use the following link:

   http://www.icai.org/post.html?post_id=6742.
5. Consequent upon the discontinuance of Final (Old) Course, students registered under the Final (Old) Course will be shifted to Final (New) Course automatically and for the purpose a letter to this effect will be issued to all such students - a physical letter as well as through e-mail (if available on record). No conversion fee shall be charged from such students, but the Final (New) Study Materials be issued to them at a concessional price of Rs. 300/- per subject (including Practice Manual) on production of the said letter being issued by the concerned Decentralized Offices.

   This decision shall come into force from February 2, 2011, and that the students of Final (Old) Course who have already filed the prescribed form along with a sum of Rs.1,100/- to the concerned Decentralized Offices and have been issued the study material would be sent a letter as per the existing practice.
6. On Line Articles Placement Portal Reopened for selection of Articled Assistants by CA Firms w.e.f. 29th January, 2011.

A PRIMER ON XBRL, EXTENSIBLE BUSINESS REPORTING LANGUAGE

What XBRL Is;

XBRL is a structured, but adaptable, computer language developed to solve a problem. The problem is that the data in reports delivered over the internet in pre-XBRL computer languages, such as HTML, typically cannot be processed directly by the recipient's application software. An HTML report is a unit, containing information that cannot be automatically separated from computerized analysis or further processing. Instead the reported data must be rekeyed in the form acceptable to the application software, or tailor software must be used to perform the equivalent of rekeying. The full advantage of computerized delivery is thus aborted, the because the transmitted text must be used the same way a paper report is used, by transforming the data into a format that the user's computer application can understand.

XBRL and XML are not replacement for HTML. They are complementary. HTML has a fixed, predefined number of tags. XML, in contrast, does not limit the number of tags. Instead it provides a framework for defining tags (i.e. Taxonomy) and the relationship among them (i.e. schema). XBRL taxonomies are the vocabularies which the language uses. These are the categorization of schemes which define the specific tags for individual items of data (viz; Turnover). Tagging individual items of data in a way that another computer application can recognize and work with. "Tagging" is a symbolic term for assigning coded identifiers to data. The tagging process can include creating tags for information unique to a particular reporting entity. A fully tagged datum would be described in ways sufficient to retain its identity and be read correctly by a user's application software. Thus the XBRL report also termed as "Interactive Data".

Technically XBRL is XML based schema that focuses specially on the requirements of business reporting. XML (Extensible Markup Language) use tags to identify the nature or context of data. XBRL does not prescribe or limit what might be disclosed in a business report. It neither adds to the information that businesses must disclose, nor changes the content of GAAP financial statements.

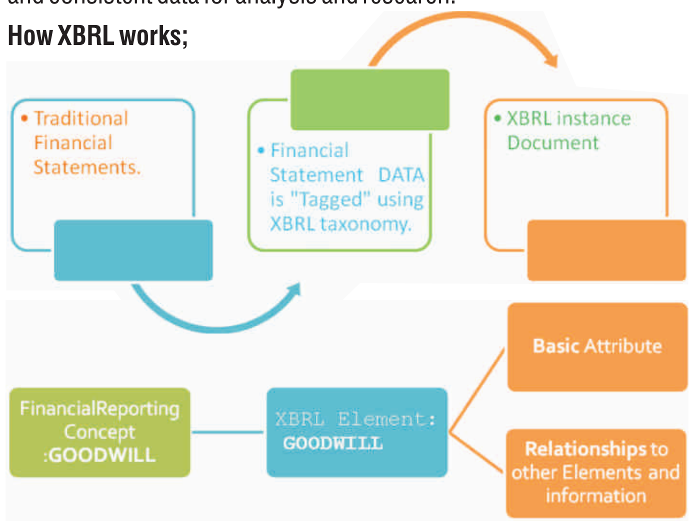
XBRL permits the automatic exchange and reliable extraction of financial information across all the software formats and technologies, including internet. XBRL can be used by virtually any computer hardware setup (e.g., computer, cell phone, PDA of table device.) and it can be used for variety of tasks. It is no limited only to organizational reporting to stakeholders. It can support all standard tasks in compiling, sorting, and using business data. It can be used for storing and exchanging financial as well as non-financial information.

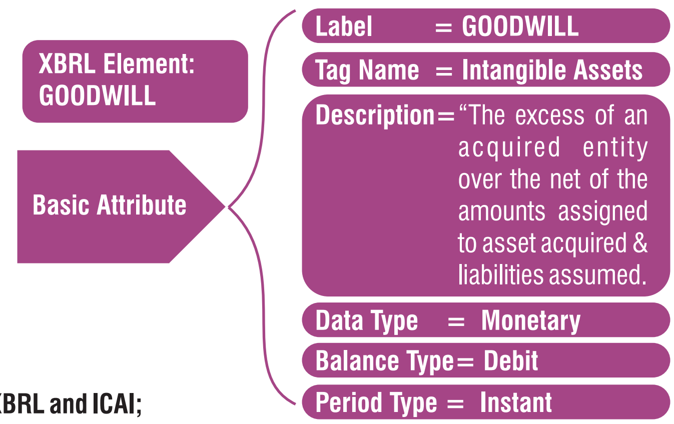
The efficiency is a potential source of reduce costs. XBRL also improve access to financial information and provides the potential for more accurate and reliable extraction of information.

Benefits;

XBRL can benefit preparers, users, and regulatory agencies. Depending on the extent of the use of XBRL, preparers could benefit from lower costs to produce information, more timely, accurate analyses of data needed to make decisions, and enhanced analytical capabilities. User could benefit from reduced costs to obtain needed financial information, facilitated analytical processes, and more accurate analyses. Users of transnational data, can benefit from the relative ease with which the data can be translated, for example, by changing a data label from English to German or Japanese, and from easier access to definitions that enhance comparability, for example, by reading the description within the tag. Regulators can benefit from simplified programming, facilitated validation, greater flexibility in getting changes made to submissions, and more timely, accurate, and consistent data for analysis and research.

How XBRL works;





XBRL and ICAI;

Envisioning the rising importance of XBRL in the times to come and considering its benefits to whose concerned with the accountancy profession, ICAI has established a forum for the development and promotion of XBRL in India. XBRL India sponsored and facilitated by the Institute of Chartered Accountants of India was approved as a provisional jurisdiction for India. The Institute has also decided to develop taxonomy for XBRL based reporting bearing in mind the peculiarities of the Indian Accounting Standards.

DISCLAIMER:

All information provided is of a general nature and is not intended to address the circumstances of any particular individual or entity. There can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

Contributed by : **Mr. Prateek Patel** (CA PCC Student)

SO YOU THINK YOU CAN GO GOLD?

They say gold is one of the safest forms of investment and given the uncertainty in the global markets- fear of double dip recession, instability in Europe and the Egypt crisis, investment in share market seems to be a risky bet. So, safe investors would look to invest in debt instruments or the ever reliable "yellow metal".

Also, given the level of corruption and unreliability in the unorganized jewellery market, people would prefer to invest in branded gold jewellery. Here, it is of pivotal interest to examine in detail the policies of branded retail shops selling gold coins.

Say Mr.A decides to invest in a 10 gram gold coin of "Tanishq" and the running prices of gold is Rs.20,000 per 10 gram for 24k pure gold. However, on further enquiry, Mr.A finds that he'll have to shell out more money in the form of making charges (5%) and VAT (1% in Gujarat). So, the total cost of this gold coin will be Rs.20,000 plus 5% = Rs.21,000 plus 1%= Rs.21,210.

On the same date Mr.B invests the same amount (Rs.21,210) in a balanced portfolio in the share market.

Assuming gold price growth rate of 20 % (gold prices have increased on an average growth rate of 17% in the last 10 years) year-on-year, say after 1 year, Mr. A decide to encash the "20%" growth on his "safe" investment. But what does he get?

He goes to the same showroom from where he bought the gold coin and the silk sari clad woman with a "plasticky" smile says he'll get "whole" of the running gold price less 5% for "melting and impurity removal" charges.

So Mr.A stands to get Rs.24,000 (Rs.20,000 plus 20%) less 5%, i.e., Rs.22,800. Resultantly, his gain stands at Rs.1,590(Rs.22,800 less Rs.21,210). Assuming he is in the high tax bracket, Mr.A will also have to shell out 30.9% tax (including Cess).PHEW!!!!! All in all, net inflow to Mr.A stands at Rs.1,099 (Rs.1,590 less 30.9%). How much that turns out to be in % terms??? Any guesses????

It will not take any Einstein to do this. His net return after tax will be "5.18%"....WOW anyone??

(Rs.1,099*100/Rs.21,210).

The Sensex 30 companies have generated an average growth rate of 26.54% in profit in the last 10 years. Infact, even if Mr.B had earned only 5.2% on his share investment (or mutual fund), and sold it after 1 year, such gain being exempt from tax, he would have taken home all of the gain!!!!!

So, summing it all up, investment in branded gold for 1 year earning a 20% return ends up actually fetching you lesser than a 5.2% return on equity!!!!!

So you are going to be Mr.A or Mr.B?? Take your pick.

Happy Investing...

- Contributed by **Mr. Ankit Daluka** (CA Final Student)

February - 2011 Events

Date	Day	Events	Venue	Atten.
01.02.2011	Tuesday	Felicitation and Orientation of CPT pass students and toppers	ICAI Bhawan	200
01.02.2011	Tuesday	Launching of the first Monthly Students' E-Newsletter	ICAI Bhawan	200
01.02.2011	Tuesday	Role of CFO in integrating strategy and finance	ICAI Bhawan	12
08.02.2011	Wednesday	Interaction and press conference with Toppers of IPCC/PCC/PE-II	ICAI Bhawan	25
11.02.2011	Friday	The process and times ahead	FGI Auditorium Hall, Sevasi	15
14.02.2011	Monday	How to be successful in interviews	ICAI Bhawan	10
15.02.2011	Tuesday	How to conduct yourself in interviews	ICAI Bhawan	10
16.02.2011	Wednesday	Philips Electronics India Ltd. / IPCA Laboratories Limited	Jambusar, Baroda	13
17.02.2011	Thursday	Career Counseling of Zenith School Students	ICAI Bhawan	51
19.02.2011	Saturday	Visit to the Vadodara Chamber of Commerce and Industry	VCCI, Baroda	6
22.02.2011	Thursday	Practical issues in Internal Audit	ICAI Bhawan	15
23 & 24.02.2011		Campus Placement of Newly Qualified CAs	ICAI Bhawan	70
24.02.2011	Thursday	Baroda Branch Awards - 2010 Celebration	ICAI Bhawan	160
25.02.2011	Friday	Career Counseling Program	Kelavani Trust School	100
28.02.2011	Monday	Live screening of Union Budget - 2011	ICAI Bhawan	25

Statutory Dates

March 2011

Contributed by : **Ms. Ravida Zaidi** (CA Final Student)

sun	mon	tue	wed	thu	fri	sat
		1	2	3	4	**5**
6	**7**	8	9	**10**	11	12
13	14	**15**	16	17	18	19
20	**21**	**22**	23	24	25	26
27	28	29	**30**	**31**		

- Service Tax and Excise Duty Payment due date (Monthly) for the month of Feb
- Service tax Electronic and Excise Duty Payment due date (Monthly) for the month of Feb
- TDS/TCS Payment due date for the month of Feb
- Excise return for the month of Feb
- Advance tax payment for the quarter ending March 2011
- PF Payment due date
- CST monthly payment and return for the month of Feb
- VAT tax (Sales Tax) payment due date
- VAT return efiling due date
- Service Tax Payment and excise duty payment due date (Monthly as well as Quarterly) for the month of March

IMPORTANT JUDGEMENTS IN DIRECT TAXES

Supreme Court recalls law requiring PSUs to obtain COD approval

The idea behind setting up of the "Committee on Disputes" (CoD) was to ensure that litigations between entities of the State, are best resolved, by an empowered CoD. But the mechanism has not achieved the results for which it was constituted and has led to delays in litigation. On same set of facts, clearance is given in one case and refused in the other.

This has led a PSU to institute a SLP in this Court on the ground of discrimination. Civil appeals lie to this Court. Stakes in such cases are huge. In the changed scenario, time has come to recall the directions of this Court.

Electronics Corporation of India Ltd vs. UOI (Supreme Court – 5 Judge Bench) - Friday, February 18th, 2011

Even s. 115J / 115JA Book Profit Cos liable for advance-tax & s. 234B interest

The Supreme Court had to consider whether advance tax was payable on book profits u/s 115JA and whether for default interest u/s 234B could be charged on the tax calculated on book profits u/s 115JA. HELD deciding the issue against the assessee:

For purposes of advance tax the evaluation of current income and the determination of the assessed income had to be made in terms of the statutory scheme comprising s. 115J/115JA. Hence, levying of interest was inescapable. The assessee was bound to pay advance tax under the scheme of the Act. S. 234B is clear that it applies to all companies.

JCIT vs. Rolta India Ltd (Supreme Court) Saturday, January 8th, 2011

Amount withdrawn from revaluation reserve & credited to P&L A/c cannot be reduced from book profit even if in year of creation of reserve, the P&L A/c was not debited

It is precisely to tax these kinds of companies that MAT provisions had been introduced. The object of MAT provisions is to bring out the real profit of the companies. Further, clause (i) of the Explanation to s. 115JB(2) permits the net profit to be reduced by the amount withdrawn from reserves only if in the year of creation of the reserves, the book profits had been increased. Thus, the reduction sought by the assessee under clause (i) to the Explanation to s. 115JB(2) in respect of depreciation has been rightly rejected by the AO;

Indo Rama Synthetics (I) Ltd vs. CIT (Supreme Court) Wednesday, January 5th, 2011

\- Contributed by **Ms. Anagha Dandekar** (CA Final Student)

WICASA extends heartiest congratulations to the IPCC toppers of Baroda branch of November 2010 attempt:

1. **Mr. Vineet Kotak** (All India 5th Rank)
2. **Ms. Sania Sitlani** (All India 16th Rank)
3. **Mr. Rahul Bhatnagar**

COOL CORNER

Shri Akhil Chandra Sen was on a journey from his home town. Just prior to leaving his home, his wife had lovingly cut a jack fruit and Akhil Babu, ate one fruit after the other, suddenly he felt a rumble in his stomach. He felt that his tummy was bloated, all because of the gas generated by the undigested jackfruit. He was feeling uncomfortable and desperately wanted to relieve himself. But what was he supposed to do? There were no toilets in the wretched compartment and he had to hold himself till the next station. In a short while, the train screeched to a halt, at Ahmedpur Station. Akhil Babu rushed to the toilet at the Railway station and was relieving himself, when the guard blew the whistle for the train to leave the station.

Akhil Chandra Sen wrote a letter to the Divisional Officer, Sahibganj Divisional Railway Office, immediately on his return to his home.

"I am arrive by passenger train Ahmedpur station and my belly is too much swelling with jackfruit. I am therefore went to privy. Just I doing the nuisance that guard making whistle blow for train to go off and I am running with lotah in one hand and dhoti in the next when I am fall over and expose all my shocking to man and female women on platform. I am got leaved at Ahmedpur station.

This too much bad, if passenger go to make dung that dam guard not wait train five minutes for him. I am therefore pray your honor to make big fine on that guard for public sake. Otherwise I am making big report to papers."

Even today, this letter is considered historic. Any guess as to why this letter is historic?

Because this gem of a letter led to the introduction of toilets in all the compartments of the Indian Railways. It is on display at the Railway Museum in New Delhi.

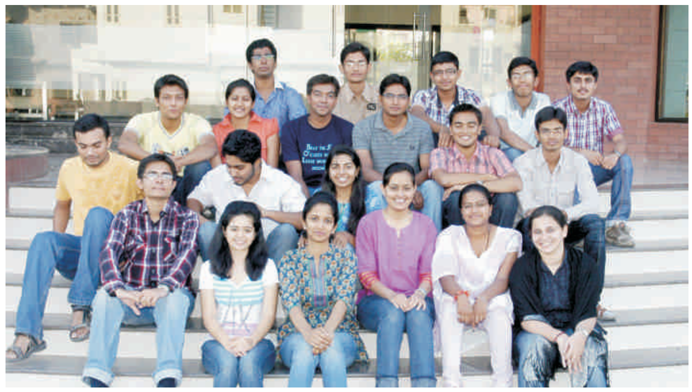
\- Contributed by **Mr. Ajay Prasad** (CA Final Student)

PHOTO FLASH

1st Feb 2011 : WICASA welcomes the CPT passed students into the coveted CA Students' fraternity. The Hon'ble Mayor Dr. Jyotiben Pandya felicitated the rank holders on the 1st of February, 2011.

1st Feb 2011 The launch of the first ever monthly WICASA e-newsletter by the worthy hands of the Hon. Mayor Dr. Jyotiben Pandya.

1st Feb 2011 Mr. Tanmay Buch (IPCC Student) Faculty of first Study Circle Meeting for 2011 with Committee Member and Co-convenor of Study Circle



8th Feb 2011 The students and the distinction holders of Baroda branch in the recently declared November 2010 IPCC /PCC/PE-II attempt were appreciated for their endeavours in this press conference.

14th Feb 2011 CA Students taking part in the Full day seminar on "How to be successful in interviews" with eminent faculties Mr. Sandeep Sawant, Mr. Sandeep Purohit, CA Bimal Bhatt and CA Milin Mehta.

16th Feb 2011 CA students learning practically on their industrial visit to Philips Electronics (India) Limited.

17th Feb 2011 The students of Zenith School attending a career counseling session in the ICAI Bhawan

18th Feb 2011 The newly qualified CAs attending the orientation session prior to their Campus Placements